testimony conform to the ruling in the hearing examiner's proposed order of March 6th, 1997?

I am going to refer you to specifically two places in that proposed order. Page 36, with respect to share transport. Page 41, with respect to treatment of access charges in connection with unbundled local switching. Now, that I have mentioned those, I'll restate the question again.

Does Ameritech's definition of unbundled local switching as described in the supplemental and supplemental rebuttal testimony that you have filed, is it consistent with those two aspects of the Hearing Examiner's proposed order?

A I am not a lawyer but I believe it is consistent with the orders of the Commission.

Q I am sorry. Of the Hearing Examiner's proposed order of March 6th, 1997, with respect to share transport and with respect to treatment of access charges?

A I don't know.

Q So you're not aware of whether your supplemental testimony addresses those issues?

A No, I believe that -- I am sorry, which issues?

Q The issue of treatment of shared transport and treatment of access charges?

A I would have to review that, but I am not aware of any conflict.

Q Is Ameritech's definition of unbundled local switching the same as that described by the witnesses for AT&T, MCI and ComTel in this case as you understand it?

A I don't believe so.

Q Have you received -- has Ameritech received any orders for the unbundled local switching element as Ameritech has defined it?

A Yes.

Q Can you tell me what carrier has placed an order for that?

A I believe that carrier considers that proprietary information.

Q Is it one carrier?

A Yes.

Q Have other carriers indicated a desire to purchase unbundled switching as Ameritech has defined it?

A Other carriers have expressed an interest in trying our unbundled local switching offering. They have not necessarily -- they agreed to purchase it the way we have defined it.

Q What level -- let me clarify the answer to the first question.

Is there any carrier who is interested in ordering the unbundled switching element as Ameritech has defined it in actually purchasing it as opposed to discussing the possibility of ordering it in some form or another?

A I believe we received ballot orders from a carrier that has asked for it as we have defined it.

Q Thank you.

What level of demand do you project for the unbundled local switching element as

Ameritech has defined it?

A It's difficult to project demand with the pricing questions still open. The projection of demand has been extremely difficult for our product managers to estimate. At the moment, I think the demand is expected to be moderate as the way we proposed it.

Q How would you define moderate?

A Something like 5 carriers, 30 switches, if I remember correctly.

Q So you would expect 5 carriers each to order unbundled local switching from 30 end offices?

A No. I think that was a maximum of 30 switches, if I recall. Again, I am not the marketing witness, but that was the number that strikes me as being in the neighborhood of what we were projecting.

Q I'll just ask. If you are not the right one to answer, then please tell me. I just want to clarify what I understand your response to be.

When you say 5 carriers, 30

switches, that's together 5 carriers might order for a total of 30 switches?

A Yes.

Q Thank you.

Have any carriers indicated to Ameritech a desire to purchase unbundled local switching as defined according to the terms of the Hearing Examiner's proposed order of March 6th, 1997, and specifically I am again referring to shared transport and treatment of access orders?

A I don't recall anybody ordering it in that terms.

Q I guess the question is, have they indicated a desire to purchase an interest in that form of unbundled local switching?

A Other carriers have advocated their own form of unbundled local switching. As best I know, they have said that they are interested in talking to us about buying their form.

I don't recall any of them specifically saying that they wanted the form that was contained in the regulatory order.

MS. OLIVER: Thank you. I have no more questions.

JUDGE GUERRA: Mr. McGann.

CROSS-EXAMINATION

BY

MR. MCGANN:

MR. MCGANN: My name is David McGann and I am an attorney for the Staff. Hopefully we'll wrap this up in 5 or 10 minutes and let you go.

Q Is it your position that it's not technically feasible to provide common transport where the unbundled transport service is separated from switching?

A That's correct.

Q Can Ameritech provide common transport which does include switching?

A Ameritech does provide common transport that includes switching today.

Q Now, I believe it's at Page 2 of your supplemental testimony you talk about a problem. I believe it's billing. The question there is that the position of witnesses sharing the land is

that Ameritech should provide to a ULS purchaser detailed call records regarding all terminating incoming calls to that port regardless of how it enters the switch.

You go on to Page 3 to say that you believe it's not technically feasible at this time for Ameritech to do that.

Are any exceptions being taken to make this technically feasible by Ameritech?

A This would have to be initiated by the switch provider to make it feasible within an individual switch. Ameritech does not have within its capability itself to develop this capability. I do not know whether switch providers have initiated any process for doing this or not.

Q That was my next question, so you cut that long and short.

Are you aware of plans by Bell Atlantic to design a billing system with expected completion by August 1, 1997, to provide billing on the common transport?

A I am aware that Bell Atlantic has

billing systems under development. I was under the impression that they could already bill for their common transport service.

Q I believe one of your prior answers to one of my questions was that there was nothing that Ameritech could do to make this technically feasible.

I am just wondering what is it that Bell Atlantic was able to do that Ameritech is not able to do?

A I think we were addressing two different questions. I believe you asked me with regard to unbundled local switching was it possible for the unbundled local switching product to know the origination of all calls that came into it.

You then asked me with regard to Bell Atlantic's proposal about common transport offering that they have defined and whether their common transport, which is a combination of switching and transmission facilities, was being designed with that. My understanding is that they have a mechanism for billing for their network

service.

Q Let's go back to just what you were talking about just so that we're making an apples and apples comparison here.

When you were referring in your answers to Bell Atlantic you made a distinction that what you were talking about was providing common transport with unbundled local switching; is that right, in combination with?

A No. As I understand Bell Atlantic's offering, their common transport service is a bundling of interoffice transmission facilities and their unbundled local switching service. They have bundled those elements up and offered something called common transport.

Q Could Ameritech perform that same bundling that you have just described there?

A We do.

Q Is that a wholesale service?

A Well, we do it with a retail service and with the wholesale rates for that retail service. We also do it with our access services.

Q What is that service called?

A Usage.

Q Just plain usage.

I would like to hand you a copy of Mr. Gasparin's supplemental direct testimony. I believe at Page 13. We had asked a series of questions of Mr. Gephardt and thought it might be better to follow up with you.

I believe at Pages 13 and 14 Mr. Gasparin discusses possible routing problems that may arise if an IXE were to attempt to route a call over either dedicated unbundled local transport or shared company transport to a ULS purchaser's customer.

Do you agree with Mr. Gasparin's assessment as set forth in his answer to that question on Pages 13 and 14?

A As I read Mr. Gasparin's testimony, he is supposing that the ability to route to dedicated ports would require a number portability like data base or some other data base.

As I understand it, that is an

existing capability of today's switches. It is a feature and function called 10-digit routing, which IXE's are today using and employing in their networks to route certain destination traffic to dedicated facility groups that are either provided by themselves or special access or others.

It has a variety of service names like MegaCom or DigiLink or other types of names. This is a function that's been available in toll switches for at least 10 years. As I understand it, it's currently being employed by long distance carriers today.

Q What kind of data base would be necessary?

A Basically they keep a list of the telephone numbers of their customers that they desire to provide this special routing to and take and direct calls. When they come into their switch, they look to see if this customer is on that table.

Now, that can be done in either of two fashions. A table updated and maintained in

the switch and some manufacturer switches to it that way. Or it could be as a result of an external data base inquiry like an AIN inquiry. Either technique would be the result of a completed call. That would be how they would do it.

Q The data base that you are describing would be a data base that contains the customer of every ULS purchaser; is that correct?

A Well, it would be -- typically today, it is a data base containing the customers they wish to provide this routing to. It would not have to be every ULS customer. It depends, I would suppose, on the volume of traffic that interexchange carriers delivering as whether they would choose Ameritech to carry the call through their feature equal access service or they would route it to the service of the other provider.

For high volume incoming calls, it's more likely they would choose to use either direct facilities or the facilities of another provider if they felt that provider was more cost

effective than Ameritech.

Q Would you agree with me that routing tables are essentially data bases?

A If you use an extremely broad parameter of what a data base is, I suppose you could consider a data base. It usually isn't classified that by switch engineers, per se.

Q Are there any changes that an IXE would have to make to switch operations to route traffic over dedicated unbundled local transport with shared company transport to a ULS purchaser's customer?

A They would not have to, no.

Q Now Mr. Gephardt described, during his cross-examination by Mr. Reed, he described a situation where Ameritech would receive, I imagine, routing data from a competitive local exchange carrier and that Ameritech would then input that data and in that way the competitive LEC could have traffic routed the way it wanted it to be routed.

Can you tell me what that service

is called?

A Okay. As part of the ULS product line we offer an option called custom routing. Custom routing allows the carrier that is a ULS customer to specify how many line class codes they would like to be created. A line class code is a pointer, if you will, to a set of routing instructions.

Those routing instructions can be customized so that the calls originating from a ULS customer's line port are directed as the ULS customer wants them to be directed. That is to their OS/DA platform or to their trunk circuits or allows them to go over the resold network, if they wish that as well.

Q So the customized routes that you have just described is the same as the routing that would take place for operator services and directory assistance?

A No. I mean, with the ULS product -- and again, it's a network element. It's designed so that the equipment and functionality that we use

for the switching function can be lifted out of our network and placed in the network of the ULS customer, the competitive local exchange carrier.

With that functionality is the ability for each call originated by your user, your end user, over that line port to direct that as however you want. That directs every call that the customer makes. That includes the OS/DA calls, if they want those calls to be routed to one trunk.

If, for instance, calls to 727, you want to go over to this trunk but calls to 248 you want to go over to another trunk, that's all specified as the established line class codes and they establish as many line class codes as they want for the types of customers they are going to serve.

We estimate that probably most ULS customers will establish about 25 different line class codes so they can get the routing options that they want. Then they apply those a line at a time when they activate a ULS line port. That's

the mechanism. They specify that via questionnaire. We build it in the switch and once they are built, they can apply it as many times as they want. 5, 10, 15, 3000, 2,000 times, they can use the same line class code.

Q I suppose some of the problem I am having is I am looking at -- and you may or may not be familiar with this document. I can show it to you. It's called Illinois Pricing Schedule. I believe it was an attachment to the AT&T Ameritech Interconnection Agreement.

I'm looking at prices for switching, unbundled local switching. Then I get down to custom routing port, comma, per port and per individual trunk termination. Those are the only two classifications that I see there.

You seem to be describing some other service because you're talking about per line, I think. That's why I'm having some difficulty here.

A Let me see if I can explain it. I don't think I need the document. It probably references

very closely to the AT&T contract we have for interconnection for unbundled local switching. There are essentially four rate pieces to that process.

One, you can buy an unbundled local switching line port. That's the basic dial tone port that customers you and I today would get our dial tone from if the ULS provider was providing us service.

When you order that unbundled local switching line port, you have to put a line class code against it. That line class code controls the routing of that line port.

If you also buy if you're going to take calls outside of that switch over your own facilities, you buy an unbundled local switching trunk port. Then the unbundled local switching usage allows when you use that line port to connect to trunk port or use that line port to connect to another line port to take and do that.

A nonrecurring charge, I believe, in the AT&T contract is around $232 a month.

Q You have a very good memory.

A Well, I have been involved in some discussions with AT&T on this point.

That charge creates new line class codes and they specify for that line class code how they want it routed.

Now, you can go into a ULS arrangement with as little as one line class code or as many as you feel is appropriate and you would pay that charge for each additional line class code that you created.

That sort of creates an inventory of line class codes. Then as you buy individual line side ports, you would apply whichever one of your inventory you want to to that line side port. That would generate or control how that customer's calls were directed through the network.

Q Well, I believe again I am referencing -- and if you need to take look at this document, I can show it to you -- I am just referencing to the pricing schedule on the AT&T Ameritech

Interconnection Agreement.

It seems to me you just described that it's Category C switching and then it's No. 1, unbundled local switching. It seems you just described what is Sub A, customer routing per line class code per switch with a nonrecurring charge of $232.

Now, down below that is Sub B. It says ULS port. There appears to be a sub category called Digital trunking -- excuse me, custom routing port, comma, per port. Then below that is sub category per individual trunk termination.

Let me just ask you, what is that for? What are those two sub categories?

A Maybe it would help if I looked at the document.

I believe it's only one item. It's not two items. So for $59.10 you get a custom routing port which is a DS-1 port on the switch, which means it's capable of handling 24 voice created equivalent circuits, so basically that's the basic trunk entity. Switches are designed.

They don't really have two sides but you think of them as having two sides.

A line side, which serves individual customers with a dial tone number. A trunk side, which is a side of the machine that connects to other switches. We generally today in all modern switches connect trunks 24 at a time, which is a 1 DS-1. A 1.5 Megabit facility to connect in 24 trunks at a time. You create 24 trunk circuit paths, but it's only one physical connection to the switch. That's what the custom routing port, per port, per trunk termination goes for. That covers 24 equivalent facilities. It's one physical connection.

Q I believe in response to one of Ms. Oliver's questions you talked about a customer that was currently purchasing unbundled local switching; is that right?

A We have an order pending.

Q Do you know if that's for testing purposes or some other purpose?

A I believe that is a trial circuit for

the carrier involved, yes.

Q Is that just a single circuit?

A Actually, there is one arrangement going in in Illinois and another in another state. It is an arrangement that has an initial line class code, a trunk circuit and initially one line port. Additional line ports can be added later.

MR. MCGANN: We don't have anything further.

JUDGE GUERRA: Any further cross-examination?

MR. JANUS: Can I have a couple of minutes, please.

(Discussion off the record.)

JUDGE GUERRA: Back on the record.

MR. JANUS: Just a couple of questions.

REDIRECT EXAMINATION

BY

MR. JANUS:

Q Mr. Kocher, Ms. Oliver asked you some questions about whether you agreed with the conclusions of an order. Did you understand this to be the proposed order on this docket in

Illinois?

A No. I was confused on that. I was thinking it was the FCC order and I probably should have asked to see the document before I answered the question.

Q I believe that Ms. Oliver directed your attention to Pages 35 and 36, plus Pages 41 to the top of 42 and was trying to ask you whether you were in agreement with those conclusions as expressed in your testimony.

Could you answer that question now for us, please?

A I don't agree with the proposed order as it describes the common transport or unbundled transport facilities or the description of ULS.

Q Then just one other clarification question. Mr. McGann of Staff had asked you some questions of Mr. Gasparin's testimony.

Was that the question on Staff Exhibit 3.03 starting on Line 6 of Page 13 and concluding on Line 9 of Page 14.

A That was the question I was answering,

yes.

MR. JANUS: I don't have any further questions.

JUDGE GUERRA: Any cross?

MS. OLIVER: Just a couple questions.

RECROSS-EXAMINATION

BY

MS. OLIVER:

Q Mr. Kocher, I believe the question that I asked you with respect to the Hearing Examiner's proposed order was not whether you agreed with it but whether the unbundled local switching element as described in your directed supplemental rebuttal testimony corrects the problems or conforms with the Hearing Examiner's proposed order on Page 36 and Page 41 and that's with respect to shared transport and the treatment of access charges.

Do you need to take a look at these pages first before answering the question?

A I think I had better.

Q The paragraph in particular that I am

referring to on Page 36 is the third paragraph and possibly fourth. We find Ameritech's position on shared transport is inconsistent with the FCC's order and with a common understanding of shared transport.

Has the unbundled local switching element as described in your supplemental testimony addressed and corrected this problem identified by the Hearing Examiner?

A The unbundled local switching element doesn't address shared transport. I misunderstood your question. Shared transport deals with the interoffice facility between switches. ULS is defined by the FCC to be unbundled from transport, so the ULS offering of Ameritech is as the FCC ordered and is unbundled from any transport.

This paragraph addresses what the Hearing Examiner interprets the FCC's position on shared transport is which was another product offering of Ameritech.

Q Let me state the question this way.

Can a purchaser of unbundled local

switching as you have described it in your testimony obtain shared transport as defined on this page of the Hearing Examiner's proposed order?

Can a purchaser obtain shared transport in connection with its purchase of an unbundled local switching element?

A The unbundled local switching trunk can be connected to whatever is defined to be shared transport as a discrete facility.

To the extent that the Commission is not defining shared transport to be a discrete facility or equipment or a facility that is unbundled from the rest of the network, then common transport, as we understand it, is connected to other parts of the switch, not to an unbundled local switching port.

Q What other parts of the switch is it connected to?

A The portion of the switch that's used by Ameritech to provide its wholesale and access services.